CLEVELAND PUBLIC LIBRARY
BUSINESS INFORMATION BUREAU
CORPORATION FILE

S. H. KRESS & COMPANY

ACCOUNTS
YEAR 1936

The total taxes (local, state and Federal) for the year 1936 amounted to $4,093,770, or an average of $17,420 per store, as compared with a total of $3,061,515, or an average of $13,083 per store in 1935, an increase of 33.1% per store in one year.

The taxes paid by this mercantile establishment equal 70% of the net profit for the year.

EXECUTIVE AND BUYING OFFICES

114 FIFTH AVENUE

NEW YORK, N. Y.

MRB
CORP FILE

S. H. KRESS

AN

SUBSIDIARY

Consolidated Balance S

ASSETS

CURRENT ASSETS:			
Cash in banks, in transit and on hand		$ 9,013,213.30	
U. S. Government securities, at cost (quoted market value $4,134,843.75)		4,110,851.56	
Sundry debtors		179,014.67	
Inventories of merchandise, including merchandise in transit, at cost or market, whichever is lower (certified by officials as to quantities and condition)		13,126,768.33	
			$26,429,847.86
U. S. GOVERNMENT SECURITIES deposited in escrow under lease agreement (quoted market value $25,765.63)			25,070.31
LONG TERM LOANS AND ADVANCES TO LANDLORDS			466,919.63
DEFERRED CHARGES TO FUTURE OPERATIONS:			
Prepaid insurance premiums		$ 443,980.77	
Deferred rental expenses, prepaid rent, taxes, etc.		248,522.77	
			692,503.54
CAPITAL ASSETS:			
Fixtures and equipment, at cost	$13,099,523.95		
Less—Reserve for depreciation	6,916,975.97	$ 6,182,547.98	
Leasehold and other improvements, at cost	$13,874,644.08		
Less—Reserve for amortization	3,756,292.16	10,118,351.92	
Land and buildings owned in fee, at cost in cash and capital stock	$32,800,365.31		
Less—Reserve for depreciation	3,180,401.86	29,619,963.45	
Goodwill, leaseholds, etc.		1.00	
			45,920,864.35
			$73,535,205.69

To the Stockholders of
S. H. Kress & Company:

We have made an examination of the consolidated balance sheet of S. H. consolidated profit and loss and surplus account for the year 1936. In connectio supporting evidence and obtained information and explanations from officers a methods and of the operating and income accounts for the year, but we did not

In our opinion, based upon such examination, the accompanying consolid fairly present, in accordance with accepted principles of accounting consistently modification in the basis of rental charges to owned stores, the position of the c

56 Pine Street,
New York,
January 22, 1937.

& COMPANY

ND

COMPANIES

heet, December 31, 1936

LIABILITIES

CURRENT LIABILITIES:		
Accounts payable—trade creditors	$ 338,324.23	
Accounts payable—merchandise in transit	1,176,672.78	
Accrued expenses and miscellaneous accounts payable	1,891,986.47	
Reserve for Federal taxes (estimated)	1,514,725.15	
		$ 4,921,708.63
CAPITAL STOCK AND EARNED SURPLUS:—		
Capital stock:		
Special preferred stock—6% cumulative:		
Authorized—1,000,000 shares of $10 each	$10,000,000.00	
Issued—911,976-6/40 shares	$ 9,119,761.50	
Common stock without par value:		
Authorized—2,678,787 shares		
Issued or reserved for exchange of old stock—2,357,574 shares	48,511,252.92	
(Common stock reserved for sale to employees—68,434 shares)	$57,631,014.42	
Earned surplus, per statement attached	13,007,859.75	
	$70,638,874.17	
Less—Cost of 190,680-38/40 shares of special preferred stock ($1,909,900.23) and 5,748 shares of common stock ($115,476.88) re-acquired and held in treasury	2,025,377.11	
		68,613,497.06
		$73,535,205.69

Kress & Company and subsidiary companies as at December 31, 1936 and of the
therewith, we examined or tested accounting records of the companies and other
d employees of the companies; we also made a general review of the accounting
make a detailed audit of the transactions.
ted balance sheet and related consolidated profit and loss and surplus account
maintained by the companies during the year under review, other than a slight
mbined companies at December 31, 1936, and the result of operations for the year.

PRICE, WATERHOUSE & CO.

S. H. KRESS & COMPANY

AND SUBSIDIARY COMPANIES

Consolidated Profit and Loss and Surplus Account
For the Year ending December 31, 1936

GROSS SALES		$86,767,531.20
Cost of merchandise sold, taxes and other operating expenses (including amounts charged to own stores as rental)	$78,918,774.56	
Provision for depreciation and amortization	2,097,713.56	
		81,016,488.12
Profit from operations, before providing for Federal income taxes		$ 5,751,043.08
ADD:		
Amount charged to own stores as rental (included in operating expenses above)	$ 1,250,246.09	
Rentals received from other tenants	189,425.26	
Interest received	119,061.43	
Profit on sale of U. S. Government securities	82,956.24	
		1,641,689.02
		$ 7,392,732.10
DEDUCT:		
Provision for normal Federal taxes on income	$ 1,225,000.00	
Provision for surtax on undistributed income subject to such tax	100,000.00	
Loss on sale of properties, less recoveries of insurance	208,181.43	
Interest on mortgages, etc.	7,155.37	
		1,540,336.80
Net profit for year, carried to surplus		$ 5,852,395.30
EARNED SURPLUS at JANUARY 1, 1936		12,274,009.70
		$18,126,405.00
DEDUCT:—		
Dividends on common stock:		
Cash dividends (equivalent to $1.75 per share on new stock)	$ 4,115,695.50	
Stock dividend (equivalent to 25c per share on new stock) paid in special preferred 6% cumulative stock	587,956.50	
	$ 4,703,652.00	
Cash dividends (60c per share) on special preferred 6% cumulative stock	414,893.25	
Total dividends		5,118,545.25
EARNED SURPLUS AT DECEMBER 31, 1936		$13,007,859.75

The company operated a total of 235 stores at the end of the year.